



Federal Communications Commission
Washington, D.C. 20554

May 27, 2009

DA 09-1157

Small Entity Compliance Guide

Interim Cap on High-Cost Universal Service Support for Competitive Eligible Telecommunications Carriers

Order
FCC 08-122
WC Docket No. 05-337
CC Docket No. 96-45
Released May 1, 2008

This Guide is prepared in accordance with the requirements of Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996. It is intended to help small entities—small businesses, small organizations (non-profits), and small governmental jurisdictions—comply with the new rules adopted in the above-referenced FCC rulemaking dockets. This Guide is not intended to replace the rules, which provide the final authority in this context. Although we have attempted to cover all parts of the rules that might be especially important to small entities, the coverage may not be exhaustive. This Guide might not apply in a particular situation based upon the circumstances, and the FCC retains the discretion to adopt approaches on a case-by-case basis that may differ from this Guide. Any decisions regarding a particular small entity will be based on application of the statute and regulations. Interested parties are free to file comments regarding this Guide and its application to a particular situation; the FCC will consider whether the recommendations or interpretations in the Guide are appropriate in that situation. The FCC may revise this Guide without public notice to clarify or update its contents. Direct your comments and recommendations, or calls for further assistance, to the FCC's Consumer Center:

1-888-CALL-FCC (1-888-225-5322)

TTY: 1-888-TELL-FCC (1-888-835-5322)

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Background: On May 1, 2008, the Commission released an order adopting an interim cap on high-cost universal service support for competitive eligible telecommunications carriers (ETCs), pending comprehensive high-cost universal service reform. The Commission took that action to halt growth in the size of the universal service fund that threatens its stability. The Commission also created two exceptions to the cap on competitive ETC support. First, competitive ETCs serving tribal lands and Alaska Native regions may receive support at uncapped levels. Second, a competitive ETC will not be subject to the interim cap to the extent it files cost data demonstrating that its costs meet the support threshold in the same manner as the incumbent local exchange carrier (LEC).

Who Must Comply: Competitive ETCs that wish to receive uncapped high-cost support pursuant to either exception from the interim cap. There are no compliance requirements associated with the cap itself.

How to Comply:

- *Carriers serving tribal lands and Alaska Native regions (“covered locations”).* All competitive ETCs file their line count data with the Universal Service Administrative Company (USAC) on FCC Form 525 on a quarterly basis, as they did prior to the effective date of the *Interim Cap Order*. A competitive ETC seeking to take advantage of the tribal lands/Alaska Native region exception to the interim cap on support will be required to file its line count data for covered locations on a separate FCC Form 525. In addition, each time it files line count data for a covered location it must file a letter with USAC certifying that the lines qualify for the exception.
- *Carriers filing own-cost data.* The Commission has not yet received approval from the Office of Management and Budget (OMB) to collect competitive ETC cost data pursuant to this exception. This compliance guide will be updated upon notice from OMB concerning resolution of this collection.

Relevant Internet Links and Citations:

- *Interim Cap Order*, FCC 08-122, 23 FCC Rcd 9232 (2008); 73 Fed. Reg. 37882 (July 2, 2008);
http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-08-122A1.pdf
- *Tribal Lands/Alaska Native Regions Waiver Order*, FCC 09-16, 24 FCC Rcd 3369 (2009);
http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-09-16A1.pdf